



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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### **11 VAC 5-10 – State Lottery Department Guidelines for Public Participation in Regulation Development and Promulgation October 8, 2002**

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The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

### **Summary of the Proposed Regulation**

The proposed regulations will clarify that the State Lottery Department (the department) is required to respond to regulatory requests from citizens within a certain number of days and that the notice of intended regulatory action is published in the Virginia Register. Also, the requirement that the State Lottery Board (the board) orders printing and distribution of regulations, the requirement for the department to obtain a list of interested parties, and the requirement to conduct biennial periodic reviews of regulations will be eliminated. Finally, an individual oral or written comment, as opposed to both being together, will be accepted as a request in cases where members of the public wish to suspend a regulatory process.

### **Estimated Economic Impact**

These regulations establish the public participation guidelines for promulgation of lottery related rules. The proposed amendments consist of clarifications, editorial changes, elimination of some unnecessary requirements, and elimination of some other requirements the department is

not required to follow. The department indicates that these regulations have not been updated since 1994.

A set of amendments consists of clarifications of the regulatory language. One proposed change is that the department will be required to respond to regulatory requests from citizens within a specified number of days as required by the Code of Virginia. This change is unlikely to create any economic effects because the department did not receive any requests in the past and even if a request were received, the department indicates that it would have been responded to within the required time frame. It will also be clarified that the notice of intended regulatory action is published in the Virginia Register. Since this is same as the current practice, no significant economic effect is expected. Additionally, it is proposed to eliminate the language that the board orders the printing and distribution of regulations because these activities will be performed regardless. Similarly, no significant economic effect is expected from this change as well. The other changes under this category are editorial in nature and are not discussed in this report.

The proposed changes will further eliminate the requirement that a list of possible interested parties be obtained annually even if there is no regulatory change. Currently, the department obtains a list of registered lobbyists from the Office of the Secretary of the Commonwealth and list of statewide associations from the Virginia Chamber of Commerce annually. This process consumes small staff time to make phone calls and to file the lists every year. Thus, there may be very small ongoing cost savings to the department. The proposed changes will also eliminate the requirement to conduct a periodic review of regulations every two years because the department is exempt from this Administrative Process Act requirement. Instead it is proposed to conduct periodic reviews on a continuous basis as needed as opposed to conducting biennial reviews. It is not known if the staff time required to conduct periodic reviews will be more or less than the time required for periodic review every two years. However, the department believes that the difference in staff time, more or less, should be insignificant. Finally, the proposed changes will make it slightly easier for public to suspend the regulatory process as individual oral or written requests would be sufficient to do so as opposed to having been submitted together. The department indicates that the regulatory process have never been suspended in the past. The economic effects of this change will mainly depend on

the nature of future regulatory actions where the public may wish to suspend the regulatory process.

### **Businesses and Entities Affected**

About 5,000 lottery retailers and all lottery players are subject to these public participation guidelines. Based on a survey conducted by the department in 2002, approximately 3.5 million adults have played a Virginia lottery game at some time in their lives and approximately 2.9 million have played in the past 12-month period.

### **Localities Particularly Affected**

The proposed regulations apply throughout the Commonwealth.

### **Projected Impact on Employment**

No significant effect on employment is expected.

### **Effects on the Use and Value of Private Property**

The proposed changes are unlikely to have any effect on the use and value of private property.